

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 7576

BILL NUMBER: HB 1795

DATE PREPARED: Jan 7, 2001

BILL AMENDED:

SUBJECT: Taxpayer Protection and Development Assistance.

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**FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL**

IMPACT: State & Local

Summary of Legislation: This bill defines "development assistance" and requires the Indiana Department of Commerce to adopt a standardized information form that must be completed by any person applying for development assistance. It also requires the Department to publish a report based on the completed information forms and to provide the report in both printed and electronic form to the public at no cost.

Effective Date: July 1, 2001.

Explanation of State Expenditures: This bill defines "development assistance" as tax deductions, credits, grant, loans, and numerous other mechanisms of public assistance used to generate economic development. The bill requires the Indiana Department of Commerce (IDOC) to adopt a standardized form to be completed by any person applying for development assistance (beginning January 1, 2002) under any program or fund operated or administered by the state or a political subdivision. The IDOC would also be required to prepare annual development assistance reports and make them available in paper form and on the Internet. It is estimated that the Department would need an additional PAT II level employee in order to meet the provisions of this bill. Annual salary, fringe, and indirect expenses for a PAT II level employee are estimated at \$44,093 in FY 2002 and \$43,987 in FY 2003.

The funds and resources required above could be supplied through a variety of sources, including the following: (1) Existing staff and resources not currently being used to capacity; (2) Existing staff and resources currently being used in another program; (3) Authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) Funds that, otherwise, would be reverted; or (5) New appropriations. According to State Department of Personnel information, the Lieutenant Governor's Office had 35 vacant full-time positions as of December 2000. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

Explanation of State Revenues:

Explanation of Local Expenditures: Local units granting development assistance must report the required information to the IDOC if the recipients of the assistance fail to file with the Department.

Explanation of Local Revenues: If a recipient of local development assistance does not submit the required information and the unit that granted the assistance does not provide it to the Department, the IDOC would suspend all current assistance in that unit's jurisdiction until the information is obtained.

State Agencies Affected: Indiana Department of Commerce.

Local Agencies Affected: Local units granting development assistance.

Information Sources: Indiana Department of Commerce.